

**INSTRUCTIONS FOR FY-2008  
SPECIAL EDUCATION EXPENDITURE REPORT**

**PURPOSE:**

This report serves the following purposes:

- (1) provides a summary of special education costs for the fiscal year through the end of the reporting period for each reporting entity (Page 1 - Part I);
- (2) shows the expenditures for specific grants to eliminates costs covered by grant sources from amount eligible for State formula reimbursement, report the amount of Mainstream Block Grant and EEE Grant used and report expenditures on Regional I-Team Consultant grants so that grant payments can be made (Page 1 - Part II);
- (3) reports costs eligible for special education expenditures reimbursement for the reporting entity apportioned to the member school districts so that reimbursement can be calculated (Page 2);
- (4) provides at the end of the year information on the cost of special education students who are residentially placed at school district expense (Worksheet C);
- (5) bills the State for reimbursement for special education cost incurred in providing IEP services to State-Placed students so that reimbursement can be calculated (Worksheet A); and
- (6) provides information on special education cost for students that qualify for extraordinary reimbursement so that reimbursement can be calculated (Worksheet B).

**REPORTING PERIODS:**

The reports are due fifteen days after the end of the first two reporting periods. The due date for the final report is August 1st. The reports are **cumulative** from the beginning of the fiscal year. The reporting schedule is as follows:

<u>Reporting Period</u>	<u>Due Date</u>
July 1, 2007 - October 31, 2007	November 15, 2007
July 1, 2007 - February 29, 2008	March 17, 2008
July 1, 2007 - June 30, 2008	August 1, 2008

**PENALTY-** The Legislature created a penalty for the late filing of the final Special Education Expenditure Reports. The reason for the penalty is to ensure all reports are filed on time as the final payments for all school districts cannot be calculated until all of the reports are received. The penalty is \$100 per State business day for each supervisory union pursuant to 16 V.S.A. §2968 (b). The rules relating to the penalty are in SBE Rule 2366.4.

**REPORTING ENTITIES:**

The Special Education Expenditure Report is to be completed by each town school district, union school district, joint contract district and supervisory union which pays directly for special education services. Each school district which is awarded a Mainstream Block or an EEE Grant must submit a report even if the district does not have expenditures to report.

This set of forms is designed for each reporting entity to reflect the special education transactions on its books. The forms are also designed to show costs which are duplicated across reporting entities (such as assessments) so they can be eliminated in the final calculations. The information from all reporting entities within the supervisory union is combined to calculate formula funding.

### ***INFORMATION SHEET:***

At the beginning of each fiscal year, the supervisory unions are asked to notify the Department of Education of their reporting entities for the year. A form is included in this package for that purpose. This procedure lets the Department know which reports to expect. The deadline for submission of the information sheet for the FY-2008 expenditure reports is October 1, 2007.

### ***GENERAL REPORTING INSTRUCTIONS:***

This entire report is to be prepared in accordance with Handbook II and based on information from the general accounting system of the school district or supervisory union.

This report is an accrual based report. The report is to include costs that are for this fiscal year only, even if those costs were paid for outside of the fiscal year. Expenditures for prior fiscal years require that the appropriate fiscal year report be amended; prior year expenditures are not to be included here. The final report should include all the salaries and benefits earned through June 30th even if they are actually paid after June 30th. Also, included are the costs of service provided through June 30th or goods received for use prior to June 30th. These costs should be encumbered as of June 30th so that the costs are charged to the year in which services or goods were provided.

The reports from a supervisory union need to be consistent for that supervisory union and its member school districts by using either whole dollars or using dollars and cents. Pages 1 and 2 and Worksheets A and B all need to use the same convention of either rounding to whole dollars or using dollars and cents.

### ***INSTRUCTIONS FOR PAGE 1 - PART I:***

#### ***GENERAL***

This section includes **all expenditures incurred to provide special education direct instruction, related services, and special education administration cost in accordance with IDEA and State Board Rules. Generally, these are the costs of educational services provided specifically for students with disabilities as required by their IEPs and the related costs of administering the special education services and the eligibility process.** The cost of regular education services is not to be included even if they are for special education students. This report is to cover the cost of providing special education services, not the total education costs of students with disabilities if part of those costs is for regular education services.

In the “Eligible”, “Ineligible” and “Pre-School” columns enter the special education expenditures for FY-2008 from July 1, 2007 through the end of the current reporting period. The expenditures are to be reported by Handbook II - Function/Object Codes. Eligible cost rules start with SBE Rule 2366.2. It is extremely important that the Business Office and Special Education

administrative personnel maintain communication regarding changes in personnel and students during the year. These changes in staff and staff assignments and students' eligibility have an impact on the reporting of special education costs.

## **FUNCTION CODES**

The costs are to be reported by the function codes/object codes shown on the reporting form. For definition of the categories, refer to Handbook II or the Annual Statistical Report. In most cases, the information requested is at the major function code level.

## **EXPENDITURES BY PROGRAM – Eligible, Ineligible and Pre-School Special Education**

The expenditures are reported by the three categories Eligible, Ineligible and Pre-School special education. The Eligible and Ineligible column are to include all costs relating to special education for students K-12. The Pre-School column is used to report all costs relating to special education for young children not yet enrolled in Kindergarten. It is important the this breakdown is captured through the school's expenditure coding structure so that the reports can be produced in a timely and accurate fashion and that detail information is available when required for audits or other reasons.

### **Eligible K-12 Special Education**

This column includes costs of providing special education services for **K-12 students** in accordance with State Board of Education Rule 2366.2. Costs that are valid K-12 special education costs but are not eligible for State funding formula reimbursement are reported in the Ineligible K-12 Special Education column. Keeping a copy of SBE Rule 2366.2 with these instructions may be helpful for reference. Information on what can be included is detailed below by general expenditure groups.

#### **(1) Salaries and Benefits**

In order to charge the salaries and benefits of staff as "Eligible K-12 Special Education", the staff must be providing specialized instruction or related services for K-12 students or performing other related special education work such as evaluations and case management. In general, professional staff charged to special education need to be licensed special educators or be appropriately credentialed for the related service that they are providing. The school district needs to base the portion of the salary and benefits charged to special education based on the actual work performed by each staff member which needs to be documented. If the special education staff person provides services to preschool children, then the portion of salary and benefits relating to preschool services needs to be reported in the preschool column. The rules for determining the portion of K-12 services that is an eligible cost depends on whether the time is designated as core staff time or not. The documentation requirement is different for staff providing services in a mainstream setting than in either a self-contained special education class or separate day program. In the mainstream setting, staff members with 100% of their time designated as core staff time have a different documentation requirement than staff that have part or none of their time designated as core staff time.

## **DOCUMENTATION REQUIREMENTS FOR "CORE STAFF" TIME:**

A change in the eligible cost rule, which was effective for FY-94, allows the cost of the "core staff" as established at that time by the Department of Education to be considered eligible costs within certain limits. This allows school districts the ability to serve some non-special education students with staff charged to special education but it is purposely limited to students on 504 or

EST plans as well as to a set number of positions. “Core staff” was established as a full-time equivalent number of teachers and program aides for each school district. The cost of salary and benefits for the FTE designated as “core staff” can be considered eligible costs to the extent that it relates to providing the following services whether direct or consultative:

- special education services for students in accordance with their IEPs;
- supplementary aids and services pursuant to a 504 plan; or
- support services to students as determined by the Educational Support Team (EST plan).

The required documentation for core staff includes a core staff designation and staff documentation for each individual staff member. The core staff designation is a list of each staff member designated as core staff for the school year showing the specific staff person's name and the FTE for which they are designated as “core staff”. The total FTE assigned can not exceed the FTE established for the school district. The designation needs to include any changes made during the year such as the replacement for a staff person with core staff time who leaves. The core staff designation record is to be maintained along with other backup material for the reports.

Staff designated as 100% “core staff” can document their time using a caseload list and a sample weekly schedule instead of a two-week time study. The caseload list needs to include the names of all of the students served for the school year and whether the services provided to each student were required by an IEP, 504 plan or EST plan. In addition, the staff member must prepare a sample weekly schedule which is representative of the school year.

For staff designated as “core staff” for only part of their work schedule, their staff documentation should take the form of a two-week time study. Their “core staff” time must be indicated as the specific blocks of time on the time studies making up the FTE they are designated as core staff. For example, if a para-educator who works 6 ½ hours a day with ½ hour lunch is designed as .5 core staff, then service blocks totaling up to 15 hours a week can be indicated as core staff time.

#### **DOCUMENTATION REQUIREMENTS FOR ADDITIONAL (NON-CORE) STAFF:**

The cost of special education staff except for time designated as “core staff” time are eligible **only** for the time that they perform special education work. Special education work includes IEP services to eligible special education students, special education evaluations, and related special education administrative work. Documentation needs to be kept showing how the amount charged to special education was calculated for non-core staff positions. Staff members who maintain a consistent schedule of students served from week to week can substantiate their time through a two-week time study. This time sample method involves each staff person keeping a record of how he/she actually uses his/her time for a two-week period. The two weeks selected should be typical school weeks and cover 10 student school days. The time study documentation must cover the staff person’s scheduled work day. The work day should be divided by school periods or service interval and the beginning and ending times for the school period or service interval need to be shown on the time study. The employee records on the time study, for each school period or service interval, the activity being undertaken and the students being served or to whom the activity relates. The activity for time blocks spent providing instructional services is indicated by the subject being taught along with the students served. For other activities, a brief description of the activity is indicated along with the students that the activity relates to. The time study must include a listing of all of the students the employee served during the school year with

the type of plan (IEP, 504 or EST) that requires the service being provided. For more information, please refer to the “Technical Guide for Special Education Documentation”.

The allowable cost rules include the “small group rule” which allows some flexibility for non-core staff time to provide non-IEP services. This rule allows a special education staff person during non-core staff time to provide instruction to a small group of special education and non-special education students. If the special education staff person is providing instruction to a group of eight or less, the time can be charged to special education if the majority of the students are receiving services required by their IEPs. If the small group has as many or more students receiving non-IEP services as students receiving IEP services, then the small group rule does not apply. In any circumstance where the small group rule does not apply, the portion of the time block changed to special education needs to be prorated based on the group of students being served. The portion charged to special education should be based on the ratio of students receiving IEP services in the group to the total number in the group. For example, if for a 40 minute period, a special educator is providing instruction to 6 students only 3 of whom are receiving the service pursuant to their IEPs, then 50% of that period or 20 minutes can be charged to special education.

#### **DOCUMENTATION FOR STAFF PERIODICALLY PROVIDING IEP SERVICES**

Other staff who do not have a regular schedule need to have their time documented on an ongoing basis by detailed time sheets showing the specific time spent providing IEP services or performing other special education responsibilities and the total hours worked. This includes those staff members who do not consistently work with IEP students but provide special education services when a specific need arises or staff whose duties vary day to day. For these individuals there should be a written record to substantiate the time spent with IEP students for the costs included as special education costs. This generally means a record of the amount of time spent performing special education functions with a brief description and students served and the total hours worked for each pay period to base the allocation of their costs to special education.

#### **ALLOCATION OF COST FOR SPECIAL EDUCATION CLASSES/SEPARATE DAY PROGRAMS**

For special education classes or separate day programs operated by a public school, the school district is allowed to charge the portion of the tuition (or the proportion of the per pupil cost) relating to special education “eligible” costs for only the special education students who are attending the class for IEP services as special education eligible costs. In order to calculate the costs to report as eligible costs, school districts need to track the enrollment for the year by student and the eligible special education cost for the program. For example, a special education class for students with challenging behaviors has total costs of \$106,000 for the year with \$16,000 of that cost related to building and other ineligible costs. The special education “eligible” costs for the program would be \$90,000 for the year. If the full-time equivalent number of students in the program for the year is 4.5, then the eligible portion of the tuition or the eligible per pupil cost would be \$20,000. If 2.5 of the FTEs were for special education students receiving IEP services, then \$50,000 (2.5 times \$20,000) can be reported as eligible costs.

## **DOCUMENTATION FOR ADMINISTRATIVE STAFF**

There are different documentation requirements for administrative staff. Also, please note that core staff time can not be used for administrative staff. For supervisory union central office staff, the individual special education administration staff are charged to special education based on the portion of their time spent performing duties relating to the administration of special education. The department accepts a current job description as documentation of the employee's job functions. If an employee has responsibilities that do not relate directly to special education, the appropriate portion of the employee's salary and benefits should be charged to a source other than special education. Also the Medicaid billing function should not be reported as an eligible special education cost; the Medicaid administration cost can either be charged to Medicaid Reinvestment funds or to any unrestricted funds. For building-based administration staff, a two week time study must be used to document the portion of time charged as a special education cost. The time study should be done similar to the ones for teaching staff; the activities will relate to administrative functions rather than subjects being taught and student names should be used if an activity relates to them or their services.

## **DOCUMENTATION OF SALARIES CHARGED TO FEDERAL GRANTS**

In addition to the documentation required for the State funding system shown above, documentation is required for all staff whose salaries and benefits are charged to federal grants including the IDEA-B Basic (4226) and Pre-School (4228) grants. The federal requirement is that staff performing only a single activity or cost objective can document their time through a semi-annual certification. This is basically a statement by the staff member stating that 100% of their time was spent performing a specific activity for the school semester and needs to be signed. However, if a staff member works under a separate contract or contract addendum for summer services, a separate certification should be done for the summer services.

The requirement for all other employees who perform multiple activities or cost objectives is that the distribution of their costs is based on after-the-fact personal activity reports. This usually takes the form of a time report which records the total hours worked by day with a breakdown of hours reported by activity or cost objectives. It is critical to set up activities and cost objectives so that the employees understand the report and provide accurate information. Preschool special education should be a separate cost objective from K-12 special education. Time that core staff spends providing services to non-special education students is not an allowable cost under IDEA-B funds and should be excluded from the K-12 special education cost objective.

### **(2) Contracted Services**

Eligible contracted service costs may include the costs of purchased professional services needed to provide special education direct instruction and related services to students in accordance with their IEPs. The service provider needs to submit detailed bills which show the service being provided and the specific students being served which need to be kept as backup materials for the report. A separate copy of these invoices needs to be maintained showing the students' names before the invoices are sent to the school board with the names removed. The core staff time cannot be used for contracted services unless the contract is with an individual who is clearly either a professional or an aide providing specialized instruction or speech/language services similar to mainstream special education personnel.

### **(3) Special Education Tuition And Excess Costs**

Special education tuition and excess costs for special education services are generally eligible if the service is required by the student's IEP. The billing school needs to submit detailed bills with

amounts listed by student and period covered. A copy of the detailed bills must be kept with backup material for the report. There are some additional criteria for the costs allowed - depending on the type of organization providing services. For tuition or excess costs charged by a public school, only the portions relating to special education eligible costs for special education students are considered eligible. If a bill for special education tuition from a public school includes unallowable costs such as building or general administration costs, the bill must state what portion relates to eligible costs and only that portion is reported as eligible cost. The only exception is that the tuition for a collaborative program is 100% eligible as long as the portion that would otherwise be for unallowable costs does not exceed 20% of the total program costs.

Special education tuition and excess cost at an independent school are eligible as long as the Department of Education has approved the rate and the service for a special education student is required by his/her IEP. For tuition to residential placements, the school district is required to notify the residential review team in the Department about placements. Unless an exception is granted by the Commissioner, the school where the student is placed needs to be approved as a special education program in the State where it is located.

#### **(4) Equipment Costs**

Two categories of equipment are considered eligible costs. The first category is the cost of renting, purchasing or maintaining equipment for a student if required by the student's IEP and otherwise unavailable at no cost to the parents. The second category is equipment used for special education administration, which can include equipment necessary for staff to provide services as well as equipment for the Special Education director and his/her support staff. Equipment not considered as an eligible cost is that of regular classroom equipment such as desks, chairs and computers for general classroom use.

#### **(5) Supplies And Materials**

The cost of supplies needed specifically for providing IEP services are considered eligible costs. This can include special textbooks and related materials needed to provide specialized instruction or related services. It can also include supplies necessary for child find, special education evaluations and special education administration.

#### **(6) Transportation**

The cost of specialized transportation as required by students' IEPs is an eligible cost. However, if the transportation is provided by the school's regular school bus service, then the cost is not considered a special education cost. If a school bus is used for a special education transportation route, then the portion of the costs relating to that route is eligible. If a school district purchases a school bus to provide specialized transportation for students on IEPs, then the expense allowed for the bus is the annual depreciation calculated in the same way as for transportation aid, not the full purchase price. Also, records need to be kept showing the usage of the bus. If the bus is also used for pre-school special education or non-special education purposes, then the charges need to be apportioned to the special education K-12 eligible, special education preschool and other programs based on actual usage.

#### **(7) Other Costs**

Other costs such as staff travel between service locations, evaluation costs and child find are allowable if they are necessary for the provision of special education services as required by IDEIA and the state regulations. The cost of evaluation and reevaluation to determine special

education eligibility are eligible costs regardless of the outcome of the evaluation. The cost of independent evaluations covered by school districts is also an eligible cost.

**Ineligible Special Education:** This column includes all costs legitimately coded to Special Education which are for K-12 students but which are not eligible for formula reimbursement (SBE Rule 2366.2). Costs which are specifically to be included as ineligible are:

1. attorney's fees and other legal costs;
2. overhead and indirect costs for financial accounting and auditing; building related costs; and all administrative costs except special education administration;
3. cost of positions required by the non-special education School Quality Standards (such as nurse and guidance counselor) even if those positions provide services for students on IEPs;
4. advertising costs in excess of \$3,000 per fiscal year per supervisory union;
5. in-service costs in excess of \$3,000 per fiscal year per supervisory union;
6. tuition to an unapproved school or program unless an exception is granted by the Commissioner;
7. any portion of a non-collaborative tuition relating to ineligible costs;
8. cost of students after their 22nd birthday unless an extension was approved by the Commissioner;
9. assessment for special education services charged by a supervisory union or union school; and
10. services provided in accordance with an individual services plan to eligible parentally-placed students (i.e., costs paid from IDEA-B proportionate share funds).

These costs are ineligible for the three parts of the State Funding Formula-Mainstream Block Grant, Special Education Expenditures Reimbursement, and Extraordinary Reimbursement. Ineligible costs may in some cases be charged to certain specific State or Federal grants. If the costs are ineligible, the revenue to cover those costs should also show in the "Ineligible" column.

**Pre-School Special Education:** This column includes the costs of pre-school educational services provided specifically for children with disabilities on IEPs. This will also include the cost of child find activities including special education evaluations for children birth up to kindergarten. The costs of Pre-School Special Education programs and services is included whether they are paid from State funds, Federal (IDEA-B, Pre-School or Infants & Toddlers) funds or Education Spending grant funds. For early childhood programs that include services to both IEP and non-IEP children, the cost of the program reported as special education is limited to the portion of the costs that relate to the IEP services for special education students. So if a morning preschool session provides IEP services for three students under the supervision of a Special Educator and the program serves a total of six, then ½ of the cost of the morning program would be considered special education costs.

The categories of expenditures shown for "Eligible" costs above generally apply to the "Pre-School" column also. One exception is that the State funding for core staff and staff documentation requirements apply only to K-12 staff. However, school districts are required to maintain documentation for staff paid from federal funds to show that they are performing duties chargeable to the federal grant. Also building related costs which relate specifically to pre-school special education services are allowable costs.



A line is provided for the non-special education costs which are charged to the State EEE Grant (Revenue Code 3204) under SBE Rule 2366.8.3(b). Costs incurred for **preschoolers** not determined special education eligible should be included on this line if the costs were paid from the EEE grant.

**Total Special Education:** This column is the total of the three columns:

Eligible K-12 Special Education,  
Ineligible K-12 Special Education, and  
Pre-School Special Education.

The Total Special Education Expenditure line should be the total of the expenditures in Part I of the form.

## ***INSTRUCTIONS FOR PAGE 1 - PART II:***

**This section shows the amount of funds used from various revenue sources to cover expenditures shown in Part I. This section is not used to report revenue received.**

### **Expenditures Charged To Federal Grants:**

For the Federal Grants section, indicate the expenditures in Part I are being charged to each grant. There are five categories shown - IDEA-B Basic Flow Through (4226), IDEA-B Pre-School Flow Through (4228), Infants & Toddlers (4235), and two lines with "Grant Award #" for listing other projects. All federal grant expenditures need to be tracked in the school districts accounting system using either a fund code or project ID. The amount of funds used should be shown under the appropriate columns – “Eligible”, “Ineligible” and “Pre-School”. Funds sub-granted by the supervisory union are not to be shown as expended by the supervisory union. The member school district which received the funds reports the amount of its expenditures charged to the sub-grant on the appropriate federal grant line. This will eliminate duplication of funds and mean that the total grant expenditures for the year are the total of the amounts reported across the reporting entities for the supervisory union.

The information is submitted here so that the total cost is collected but the amount of Federal funds used is eliminated from the calculation of State formula funding. Funds for these Federal projects should be requested using SDE 1.1 form on a quarterly basis. For the final SDE1.1 for an IDEA-B project to be acceptable, the amount included as spent for the project on the Special Education Expenditure Report must match the total of expenditures plus obligations on the final SDE1.1.

### **Expenditures Charged To State Funds and Match:**

*Mainstream Block Grant (3201)* - Enter the amount of the State Block Grant award that you consider spent by this school district. (For multi-district supervisory unions, no amount is shown on this line as they do not receive the grant.) Since you are not required to do separate accounting for these State funds, this figure can be an arbitrary portion of the eligible special education cost incurred until the final report. On the final report, the total of the grant for the school district should be reported in this block unless the district did not incur sufficient special education costs to use all their Mainstream Block Grant and match funds. For the few school districts which do

not spend all their Mainstream Block Grant funds, 60% of the eligible K-12 expenditures not covered by other grants or exclusions should be listed here. If the school district operates a school and did not spend all of its Block Grant and match for special education, the school district may spend the remaining Block Grant and match for support and remedial services. If the school district spends funds in this way, they must submit a separate report describing the support and remedial services provided and the cost with their final report.

*Local Block Grant Match* - Calculate the match required for the amount of Mainstream Block Grant shown on the line above by dividing Mainstream Block Grant amount by 0.6 then multiplying the result by 0.4. The total match for the year is listed on the Mainstream Block Grant award.

*State-Placed Student Cost (Worksheet A)* - Enter amount shown on Worksheet A as the "Total Special Education Cost Eligible for State-Placed Students Reimbursement" in the "Total Special Education" column. The cost must be broken down between the three columns. If the student is in pre-school, the cost is reported in the "Pre-School" column. If the student is enrolled in kindergarten through 12th grade, the costs are shown in "Eligible" or "Ineligible". The costs shown under "Ineligible" would include the ineligible portion of a special education tuition charged by a public school. Instructions for Worksheet A start on page 11.

*Extraordinary Cost (Worksheet B)* – Enter the "Total Eligible Extraordinary Cost" from Worksheet B in the "Total Special Education" column. Break down the costs between the "Pre-School" and "Eligible" columns based on whether the student is in pre-school or kindergarten through 12th grade. Instructions for completing Worksheet B start on page 14.

*Essential Early Education Grant (3204)* - On **town and unified union school district reports**, enter the amount spent from the Essential Early Education (EEE) Grant for the reporting period. This will show under the "Total Special Education" and "Pre-School" columns. For the final report, the amount shown as used by a town or unified union school district on the EEE Grant line should be the whole grant amount unless the town or unified union school district's Pre-School special education costs did not add up to the grant amount. The total EEE cost for a town or unified union school district includes (1) the amount that the reporting entity spent excluding assessment and costs covered by other grant sources plus (2) the town or unified union's share of Pre-School costs spent by the supervisory union.

For **union schools and supervisory unions**, do not enter an amount on the EEE grant line as grants are only made to town and unified union school districts.

*Other State Grants* - are entered on lines with "Grant Award #". Enter the four digit grant award number as the description, and enter the amount of grant funds spent in the appropriate columns. Please be sure to include a Regional Educational Specialist Grants (3207) in this section for those districts that have a grant.

Note: Act 230 Training Grants (3219), BEST Grants (3213), Medicaid reinvestment funds (5481), and EEI (3243) grants are included on the report only to the extent that costs covered by the grants are special education expenditures reported in Part I of the report.

Expenditures Charged To Other Revenue:

**The remaining section is used to eliminate expenditures included in Part I of the form which are claimed by a different reporting entity.**

*Special Education Tuition from other LEA's* - Enter special education tuition revenue received or due from other LEAs. For non-collaborative tuitions, you need to divide the amount collected between the "Eligible" and "Ineligible" columns based on the split in cost of the program between those categories. As the LEA paying the tuition will claim the reimbursement, that revenue is deducted here by the reporting entity offering the program so that the cost reported is the net cost to the reporting entity. The school district offering the special education program needs to recalculate the tuition at the end of the year based on actual costs and the actual student enrollment to confirm that the rate it used for billing does not exceed the cost of the program.

*Excess Costs from other LEA's* - Enter special education excess costs billed to other LEAs. Before final billings are done on excess costs for the year, the excess cost calculation needs to be redone using actual eligible cost for providing the services to ensure that the costs billed are justified.

*Assessment Paid to S.U. or Union School* - Enter the amount of supervisory union, union school district or joint contract district assessment included as an expenditure in Part I. For K-12 assessments, the reporting of the cost in Part I and the exclusion here should be in the "Ineligible" column. For the calculation of special education formula reimbursement, the share of the actual costs incurred by the supervisory union, union school district or joint contract district attributable to the school district (shown on Page 2) is used instead of the assessment which is based on a budget. This line is used to eliminate the any assessment costs shown as an expenditure in the top section of the form.

**Total Grant Expenditures & Other Exclusions** - Enter the total of Part II.

**Total Net Cost** - Enter the total of Part I less the total of Part II. Check that the total of the amounts in the last three columns equals the amount in the "Total Special Education" Column.

**INSTRUCTIONS FOR PAGE 2:**

***DISTRIBUTION TO SCHOOL DISTRICTS OF TOTAL NET COST FOR "ELIGIBLE K-12" AND "PRE-SCHOOL" COLUMNS***

This form requires that the "Total Net Cost" amounts from the "Eligible" and "Pre-School" columns on page 1 are distributed to school districts. This allows the distribution of reimbursement generated by the expenditures reported to the appropriate school districts.

The costs are distributed based on how the member school districts contribute toward these costs. If the reporting entity is a town school district or a union school district, you will simply enter the school district's LEA code, name and the two amounts from page 1. If the reporting entity is a joint contract district, an interstate school district or a multi-district supervisory union, the costs from page 1 need to be distributed to their member school districts. For each member school district, enter its LEA code (such as T001 for Addison Town School District or U005 for Vergennes Union High School), the school district name, and the amount of the school district's share of the amount listed as "Eligible" and "Pre-School" on the "Total Net Cost" line from page

1. To determine that amount, use the reporting entity's assessment percentages which are applicable to these special education costs. If there is no separate special education assessment, use the general assessment breakdown. Once the amounts for all of the member school districts are calculated, check that the total matches the page 1 amounts to the penny.

**NOTE: Page 2 must be completed for every reporting entity which submits a Page 1.**

## **TWO VERSIONS OF WORKSHEET A**

There are two versions of Worksheet A included in the forms. The version on the legal size paper is to be used only with the reporting period ending the last day of February. The instructions apply to the letter size form. The only difference in the legal form is the final column which shows the total estimated cost for the fiscal year. This is the amount for each service that the school district has already incurred plus additional costs expected to be incurred. **Please use the appropriate form for each reporting period.**

### ***INSTRUCTIONS FOR WORKSHEET A:***

This form is a bill to the Vermont Department of Education for the special education costs of the State-placed students incurred by the reporting entity. The Worksheet A needs to provide the following student information: the full name of each student, date of birth and seven digit ID#. Worksheet A must detail the specific beginning and ending dates for each service being claimed. The description of the service must be specific and have enough information so that the Department can determine if it is a special education service. The cost for each service must be calculated for the specific period being billed.

A State-Placed student is a Vermont student educated by a school district other than the district of residence of the child's parent(s) or guardian **as a result of a placement** by a State Agency, a designated community mental health agency or agency approved by the Commissioner. This **does not** allow for reimbursement for students being educated by their home school district (based on the residence for the parent(s) or guardian), even if they are in State custody.

### **Costs Covered by State-Placed Student Reimbursement**

This report is cumulative and will include all costs from the beginning of the year. The costs included on the report are limited to special education costs paid for by this reporting entity. The service(s) must be special education services required by the student's IEP and actually have been provided to the student. The exclusion for "Mainstream" special education services has been eliminated effective with FY-2009 but continues for the current fiscal year. The only costs for other than IEP services to be included are the special education evaluation costs.

You cannot bill the State for services paid for by Federal funds or other State grants. Regular education tuition or regular Technical Center tuitions can not be reported here as they are not special education costs.

Use one line for each billable special education service provided to each student (see chart below for service descriptions).

**Student's Name:** Enter the first and last name of the student.

**Date of Birth:** Enter each student's date of birth in the mm/dd/yy format, such as 02/14/92 for February 14, 1992.

**Student ID Number:** Enter the student's seven digit identification number. (If you need an ID number for a new student, check with the school district person responsible for the student census.)

**Public School Enrolled In:** Provide the name of the public school the student was attending or enrolled in while receiving this service. If the student was attending a separate day program, a special class or receiving home tutoring, she/he is still considered enrolled in the public school for that district. For example, if the student attends the Baird Center you would still record Spaulding H.S. if that is the public school he would normally attend.

**Description of Services:** Please describe the special education services being provided to the State-Placed student in accordance with his/her IEP. The list below shows a list of common service descriptions. Be sure to include all of the additional detailed information required for the service. If the service does not fit one of the categories listed, please provide a brief description of the service being provided.

Service and Detailed Information	Definition of Services Included in Cost Category
<b>Evaluation</b> Include type of evaluation such as psychological, OT/PT, etc.	Evaluations performed as part of comprehensive or supplemental evaluation plan. Cost of evaluations performed by mainstream Special Educators are excluded.
<b>Special Education Tuition</b> Include name of program and school district or organization operating the program	Per pupil cost charged for <b>self-contained special education programs</b> if the placement is required by the student's IEP. This includes special education separate day programs not located in a public school such as ON-TOP, Wilder School or Baird and <b>special education classes</b> within a public school, academy, or vocational center. This does not include regular education tuition or regular tuition charged by a technical center.
<b>Wrap around</b> Include DS or MH depending on whether the services were provided under Developmental Services or Mental Health or the name of agency providing the service	Education and treatment services provided by a local community mental health agency as part of a wrap-around or an individualized service program as required by the student's IEP.
<b>Individual Aide</b>	Paraprofessional hired for individualized supervision and/or instruction during the school year as required by the student's IEP.
<b>Transportation</b>	Transportation services required by the student's IEP excluding regular school bus service.
<b>Behavior Consultation</b>	Behavioral consultant or specialist who provided consultation for school staff or direct services as required by the student's IEP.
<b>Counseling</b>	Direct counseling or therapy provided by a private or community mental health professional who is a clinician or M.S.W. as required by the student's IEP.
<b>Vocational Services</b> Include specific type of service provided	Employment specialist, job coach or other services related to preparing for or providing student employment opportunities or work experience required by the student's IEP.
<b>Occupational Therapy</b>	Direct services or consultation by a registered OT or an aide

	working under their direct supervision as required by the student's IEP.
<b>Physical Therapy</b>	Direct services or consultation by a registered PT or by an aide working under their direct supervision as required by the student's IEP.
<b>Psychological Services</b>	Psychological counseling or consultation by a certified psychologist as required by the student's IEP.
<b>Supplies</b> Include description of type of supplies	Specialized supplies required due to the student's disability such as a special computer program or large print books as required by the student's IEP.
<b>Equipment</b> Include description of equipment	Equipment required by the student's IEP due to the student's disability.
<b>Tutoring</b>	Tutoring services in the school or elsewhere by a Special Educator or aide during the school year as required by the student's IEP
<b>Service and Detailed Information</b>	<b>Definition of Services Included in Cost Category</b>
<b>Summer Tutoring</b>	Summer tutoring or direct instruction provided by a Special Educator or aide in a one-on-one or group setting during the summer as required by the student's IEP.
For <b>all others</b> , enter a brief description of service being provided	Other special education or related service provided by other than mainstream special educators as required by the student's IEP.

**Dates of Service:** The date of service should include **the beginning and ending date for the individual service for that student**. If the service is an individual aide who started on August 28<sup>th</sup> (the first day of school), then the period reported would be 08/28/07 - 10/31/07 for the first report. If the student moved out of the district on 11/10/07, then the period on the later reports would be 08/28/07 - 11/10/07. If the service lasted to the end of the school year, show the actual last day of school. Do not use 6/30/08 as the ending date unless that service was provided through that date. Only use separate lines for the same service for a student if there is a break during the time period the service is being provided.

**Cost of Service:** List the cost of each service for the student indicated. All of the costs included here should be included on the top section of Part I of Page 1. If the cost is billed from an outside vendor for the one student, you simply list the amount from the bills. If it is a service provided by a staff member, the cost needs to be calculated based on the staff person's caseload or actual time spent working with that student. You need to document the way you calculate the cost and keep the backup documentation with your reports.

**Total:** At the bottom of the sheet, total the amounts in the cost column. This total is the amount to be entered on Page 1 as the total on the "State-Placed Student Cost (Worksheet A)" line. The costs for K-12 students need to be divided between the "Eligible" and "Ineligible" columns while all the cost for Pre-School students is reported in the "Preschool" column.

**Worksheet A Review Process:** When Worksheet A's are received by the Department of Education, they are reviewed to ensure that:

1. the reporting school district is the district where the student resided for the dates claimed;
2. the student meets the definition of State-Placed (16 V.S.A. §11 (28)(a)) for the period claimed;
3. the student is eligible for special education and the services are required by an IEP or the

- service is part of an evaluation to determine special education eligibility;
- 4. services billed are not mainstream special education services;
- 5. the description of the service is understandable and complete and is an appropriate IEP service; and
- 6. the cost seems reasonable for the service and period covered.

After the review is completed, the supervisory union is sent a Claim Approval memo stating which services have been approved for payment and which services are pended or denied. For services that are pended or denied, the memo explains the reason for not allowing the claim and the action needed to resolve the issue. It is important to respond to the Claim Approval memo on a timely basis. When payments are made, the department will only pay for approved Worksheet A claims. If you have questions about a State-Placed student's status and/or dates billable on Worksheet A, contact Donna Trucksess at (802) 828-5931.

**NOTE: Worksheet A is only submitted if the reporting entity has costs to report. Blank Worksheet A's should not be submitted.**

### ***INSTRUCTIONS FOR WORKSHEET B:***

This form is used to claim extraordinary reimbursement. Extraordinary reimbursement only applies to students over the age of three whose special education **costs exceed \$50,000.00 for FY-2008**. The costs included here should be included in the special education expenditures at the top of Page 1 as eligible costs for students in kindergarten through 12th grade or in the "Pre-School" column for Pre-School students. Only formula eligible costs can be included for a student which eliminates any costs paid from federal funds or other grant funds (except Mainstream Block Grant). This report is cumulative from July 1, 2007 through the end of the reporting period. **Do not report students until their costs have exceeded the \$50,000.00 amount.**

**Student's Initials:** Enter the student's initials. Use one line per student to record the costs for the fiscal year. (If costs were paid during the year for prior fiscal years, you need to amend the reports for the prior year to receive reimbursement for those costs.) **Do not include students whose costs you are billing on Worksheet A.**

**Student ID Number:** Enter the student's seven-digit identification number. (If you need an ID number for a new student, check with the school district person responsible for the student census.)

**Date of Birth:** Enter the student's date of birth using the format of 06/04/90 for June 4, 1990.

**Disability Category:** Enter the code that reflects the student's primary category of disability.

<u>Code</u>	<u>Disability Category</u>	<u>Code</u>	<u>Disability Category</u>
01	Learning Impairment	08	Other Health Impairments
02	Hearing Impaired	09	Specific Learning Disability
03	Deaf	10	Deaf-Blind

04	Speech/Language Impaired	11	Multi-handicapped
05	Visually Impaired	12	Developmentally Delayed
06	Emotional-Behavioral Disability	13	Traumatic Brain Injury
07	Orthopedically Impaired	14	Autism

**Student's Town Code:** Enter the code for the town of parent's legal residence such as T001 for Addison.

**Residential placement? (Yes or No):** Indicate “yes” if the student was in a residential placement (providing service for 24 hours a day) at district expense for any part of the fiscal year. If a student was not in a residential placement at district expense for any portion of the fiscal year, enter “no.”

### ***COST BREAKDOWN:***

The remaining categories are for the costs for special education services provided to the student as required by the IEP for the fiscal year. For K-12 students, only report eligible special education costs not paid from Federal or miscellaneous state or local grant funds. All costs reported are to be actual costs based on what has been paid for services provided from the beginning of the fiscal year to end of reporting period. **You are not to include any costs paid by Federal funds** or the cost of special education administration. For pre-school students, you can only include those costs above and beyond costs charged to State EEE, local and Federal grants.

**Special Education Tuition:** Include the amount of special education tuition (object code 560s) paid for this student. If the tuition is for a public school non-collaborative program, only include the portion of the tuition relating to eligible costs, which must be indicated on the bill. Regular education tuition or regular technical center tuition is not to be included here, as it is not a special education cost.

**Equipment:** Enter the amount paid for equipment (object code 700s) purchased for this individual student as required by the student's IEP.

**Other Direct Instructional Costs:** Enter the cost of all other direct instructional services required by the IEP and provided to this student. This cost includes all special education expenses coded to function code series 1200, Direct Instruction, except Tuition (560) and Equipment (700). Some of the costs which can be included here are: Resource Room Instruction, Consulting Teacher/Learning Specialist Services, Behavioral Specialist Services, Integration Facilitator Services, Individual Aide, Adaptive Physical Education, and special textbooks.

**Related Services:** Enter the cost for related services required by the IEP and provided to the student. This includes all special education expenses coded to function code series 2100, except for Tuition (560) and Equipment (700). Some of the costs which can be included here are:

Speech/Language Services	Special Education Evaluations
Occupational/Physical Therapy	Audiology and Deaf Education
Counseling Services	Interpreter Services

**Transportation:** Enter the cost of the specialized transportation (function code 2700) required by the IEP.



**Total Cost:** Enter the total of the amounts listed in the cost breakdown columns (from "Special Education Tuition" to "Transportation").

**Eligible Extraordinary Cost:** Subtract \$50,000.00 from the total cost to calculate the amount eligible for extraordinary cost. The total of this column is entered on Page 1 on the Extraordinary Cost line breaking the amount between the "Eligible" and "Pre-School" columns based on whether the student is in pre-school or not.

**Please note that supervisory union, interstate school district or joint contract district reporting entities must complete the bottom half of the sheet if any costs are reported on Worksheet B. For interstate school districts, the only students listed must be Vermont students that are being charged to one or more Vermont towns.**

**Distribution of Extraordinary Cost to School Districts:** The amount shown as the "Total Eligible Extraordinary Cost" from the top of Worksheet B must be apportioned to the member school districts. All extraordinary reimbursement is sent to the school districts and this section allows us to determine how the reimbursement should be divided up between school districts. The division of the extraordinary cost between school districts must be based on how the school districts contribute to the extraordinary special education costs. If the costs are paid through the normal special education assessment, then those assessment percentages are used to determine each school district's share of the extraordinary cost. If a different assessment method is used for these extraordinary costs, then that method will be used to divide the costs between the school districts. The total of the breakdown between school districts must agree with the Total Eligible Extraordinary Cost on the top portion of the form.

**NOTE: A reporting entity should only file Worksheet B if there are students whose eligible costs exceed \$50,000.00.**

### ***INSTRUCTIONS FOR WORKSHEET C:***

Worksheet C is used to capture information on the cost of residential placements paid by school districts for the fiscal year. This page is only required with the final reports due on August 1st. This page is required whether or not there are any students to report. If there are no students to report, complete the header of the form and note "none" on the form.

**This report is to include all special education students who were residentially placed (in a 24 hour a day placement requiring approval by the residential review team) and whose placement is being paid for by the school district.** Only include the cost of the student's program while the student is residentially placed. Also, information is reported separately for each residential placement and the costs only include those incurred for the student's services during the residential placement - not before or after.

**Student's Initials:** Enter the student's initials. Include students even if listed on Worksheet B. Use a separate line for each placement if a student was in more than one residential placement during the fiscal year.

**Student ID Number:** Enter the student's seven-digit identification number. (If you need an ID number for a new student, check with the school district person responsible for the student census.)

**Date of Birth:** Enter each student's date of birth such as 06/19/89 for June 19, 1989.

**Disability Category:** Enter the code which reflects the student's primary category of disability. See chart on Page 14 under Worksheet B for listing of the categories.

**Student's Town Code:** Enter the code for the town of parent's legal residence such as T001 for Addison.

**Name of Residential School:** Enter the brief name of the residential facility such as Austine for Austine School for the Deaf and Hard of Hearing.

**Date Entered Residential for Year:** Enter the first day for the fiscal year that the student is residentially placed. If the student continued in a year-round residential placement from the prior fiscal year, use 07/01/07. If the student continued in a residential placement but the program operates on the school year, use the beginning date for their school year. For students who are entering a residential placement during the year, enter the first day of the placement.

**Last Day in Residential for Year:** Enter the last day that the student is residentially placed for the year. If the student left the placement, enter the exit date. If the student remained through the end of the fiscal year, enter 06/30/08. If the placement runs on a school year basis and the student stayed to the end of the school year, enter the last day the school was in session.

**Cost Breakdown for Student's Residential Placement:** Only include costs incurred for the period of time that the student was residentially placed. If the student is residentially placed for the whole school year, include the costs for the school year but exclude the cost of any summer program. This section uses the same categories as Worksheet B. Please refer to those instructions if you have questions on the categories. Only include costs paid by the school district. If a portion of the costs for the residential placement is paid by a State agency, note that on the bottom of the form.

**Total Cost:** Enter the total of the five cost categories which represents the total cost to the school district for the student during that residential stay within the current fiscal year.

### ***SUBMISSION OF REPORT:***

**Be sure that Page 1 is signed and dated and that the form header information is complete. Check that the period ending date is completed, and that the reporting entity's name and supervisory union number are entered on each page. Check that Page 2 is completed on the back of Page 1. Only submit Worksheets A and B if there are costs entered on that particular worksheet. Worksheet C must be submitted by all entities, but only with the final report.**

Submit completed form with **original signature** to: Margaret Schelley  
Department of Education  
120 State Street  
Montpelier, Vermont 05620-2501

Please keep a copy for your records with any supporting documentation for three years.  
Questions should be referred to Margaret Schelley at (802) 828-5119 or Carol McGranaghan at (802) 828-0769.